

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF THE  
DEPARTMENT OF PUBLIC WORKS  
INVENTORY, USAGE, AND  
MAINTENANCE OF DISTRICT VEHICLES**



**CHARLES J. WILLOUGHBY  
INSPECTOR GENERAL**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



March 20, 2006

William O. Howland, Jr.  
Director  
Department of Public Works  
2000 14<sup>th</sup> Street, N.W., 6<sup>th</sup> Floor  
Washington, D.C. 20009

Dear Mr. Howland:

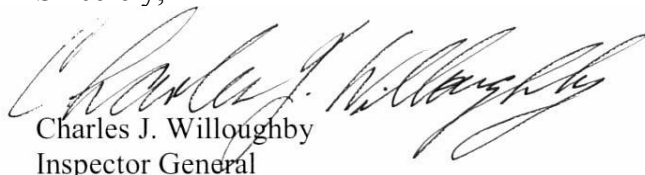
Enclosed is our final audit report summarizing the results of the Office of the Inspector General's (OIG) *Audit of the Department of Public Works Inventory, Usage, and Maintenance of District Vehicles* (OIG No. 04-1-21KT).

As a result of our audit, we directed 22 recommendations for necessary action to correct the described deficiencies. We received a response from the Department of Public Works (DPW) on January 26, 2006, to a draft of this report. DPW's response fully addressed all but one of the recommendations, and we consider the actions currently on-going and/or planned to be responsive to our remaining recommendations. The full text of DPW's response is included at Exhibit D.

We request that DPW provide an updated response to Recommendation 6 that fully meets the intent of the recommendation, as well as provide target completion dates for Recommendations 6, 7, 8, 16, 18, and 22. We ask that the requested information be provided within 60 days from the date of this report.

We appreciated the cooperation and courtesies extended to our staff during the audit. If you have questions, please contact William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

  
Charles J. Willoughby  
Inspector General

Enclosure

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**AUDIT OF THE DEPARTMENT OF PUBLIC WORKS  
INVENTORY, USAGE, AND MAINTENANCE OF DISTRICT  
VEHICLES**

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## **EXECUTIVE DIGEST**

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### **OVERVIEW**

The District of Columbia Office of the Inspector General (OIG) has completed an audit of the District of Columbia Department of Public Works (DPW) Inventory, Usage, and Maintenance of District Vehicles.

The DPW's mission is to provide sanitation, parking enforcement, fleet maintenance, and energy-related services to residents of the District of Columbia, visitors, and businesses to ensure safe, clean, and aesthetic neighborhoods and public spaces. DPW provides municipal services in two distinct areas: environmental services/solid waste management and parking enforcement. The DPW Solid Waste Management Administration performs a number of daily operations, including trash and recycling collection, sanitation enforcement, fall leaf collection, and street and alley cleaning. The Parking Services Administration is responsible for enforcing the District of Columbia's street parking laws.

The DPW Fleet Management Administration (FMA) supports municipal operations by procuring, fueling, and maintaining thousands of District government vehicles, from sedans and trucks to heavy equipment, used by all agencies under the authority of the Mayor of the District of Columbia.<sup>1</sup> FMA is responsible for management oversight and for establishing policies, procedures, and standards covering the vehicles. The agency uses an automated fleet management system (FASTER) to manage the District fleet. According to FASTER, the acquisition cost of the 3,100 vehicles in the District fleet as of June 15, 2005, was about \$83 million.

The objectives of the audit were to determine the cost effectiveness of vehicle usage and maintenance of District government vehicles, and the accuracy of vehicle inventories.

### **CONCLUSIONS**

The audit disclosed that FMA did not maintain an accurate inventory of all vehicles used by District agencies under the authority of the Mayor. FMA had not conducted an annual physical inventory since given the responsibility to manage the District fleet. Further, FMA did not establish sufficient procedures to adequately account for the vehicles and did not comply with its own policy to maintain a master fleet file for every vehicle in the District fleet. As a result, FMA officials could not account for 14 vehicles and could not provide sufficient documentation to determine the status of 4 other vehicles. Therefore, FMA could

<sup>1</sup> FMA is not responsible for vehicles assigned to the Metropolitan Police Department and Fire and Emergency Medical Services. In addition, FMA is not responsible for vehicles assigned to independent agencies not under the direct authority of the Mayor.

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## EXECUTIVE DIGEST

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not provide us with reasonable assurance that it could account for all District vehicles under the agency's responsibility.

FMA officials also did not effectively utilize FASTER to record complete, accurate, and consistent information about District vehicles; therefore, the reliability of the inventory records was questionable. For example, FMA provided us an inventory of all District vehicles owned, leased, or operated by agencies under the authority of the Mayor as of September 30, 2003. The inventory was transmitted to the District of Columbia Chief Financial Officer for submission to Congress as required by the District Fiscal Year 2004 Appropriations Act. However, the inventory was incomplete and inaccurate.

In addition, FMA officials did not fully comply with Mayor's Order 2001-85 by failing to: 1) prepare and maintain a daily record (daily usage log) of all individuals with custody of District vehicles; and 2) establish and implement procedures to ensure that the requirements were met by District agency fleet coordinators. Consequently, we could not determine whether District vehicles were used only by authorized individuals for official purposes. Although we identified vehicles with unexplained mileage, we did not identify specific instances of misuse or unauthorized use of District vehicles.

Finally, FMA did not properly account for vehicles that were either sold at auction or used for parts by maintenance services officials. As a result, we could not determine the status of five vehicles listed on April 28, 2005, as towed to the auction company for public auction. In addition, 54 vehicles had been awaiting sale at the auction company for 3 to 14 months. As a result, the District is at an increased risk for theft of parts from vehicles awaiting property disposal.

### MANAGEMENT ACTIONS

During the audit, these matters were brought to the attention of FMA officials who agreed with our conclusions and have taken or agreed to take corrective actions. For example, the FMA Administrator issued a memorandum, which included a list of vehicles assigned to that agency as of January 25, 2005, to each agency fleet coordinator. The memorandum requested agency fleet coordinators to review the list and indicate the status (current inventory, reassigned, disposed of, or returned to leasing company) of the vehicles. The memorandum also requested that agency fleet coordinators complete data input sheets for vehicles omitted from the list.

In addition, on February 9, 2005, FMA hosted a District agency fleet coordinator meeting and provided a copy of Mayor's Order 2001-85 (which requires vehicle operators to prepare and maintain daily usage logs). Subsequent to this meeting, FMA officials emailed District agency heads a memorandum reminding them of the requirement to prepare and maintain daily usage logs. Further, FMA assigned an employee to make daily visits to the Reeves

## **EXECUTIVE DIGEST**

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Center and Judiciary Square to improve control over motor pool vehicles housed at those two locations.

In addition, FMA officials agreed to establish procedures to account for used parts removed from vehicles awaiting property disposal action and informed us that the procedures would be implemented as soon as possible. After we briefed the DPW Director on the results of this audit, FMA officials found the five unaccounted for vehicles that were listed as being towed to the auction company for a May 2005 public auction.

### **SUMMARY OF RECOMMENDATIONS**

We directed 22 recommendations to the Director, Department of Public Works that focused on conducting a physical inventory, generating reliable inventory records, establishing and implementing policies and procedures, and complying with applicable criteria.

Specifically, we recommended that the Director, in coordination with agency fleet coordinators, conduct an annual physical inventory of the District fleet, review and compare inventory results to data contained in FASTER, and update inventory records as necessary. We also recommended that the Director establish, revise, and implement policies and procedures for: 1) recording vehicles loaned between agencies; 2) generating and compiling reliable data; 3) preparing daily usage logs; 4) disposing of District vehicles; 5) accounting for parts removed from vehicles awaiting disposal; 6) improving controls over the fleet master file; and 7) completing annual physical inventories.

In addition, we recommended that the Director adopt OMB Circular A-123 guidelines for assessing the reliability of computer-generated data; review FASTER data periodically to identify and resolve reliability issues; and evaluate, identify, and correct any data conversion anomalies that resulted when converting from the Maximus M4 information system to FASTER. We also recommended that the Director comply with Mayor's Order 2001-85 to prepare and maintain daily usage logs for all assigned vehicles.

Finally, we recommended that the Director locate 13 unaccounted for vehicles assigned to the Department of Human Services and 1 unaccounted for vehicle assigned to FMA, as well as determine the status of the 4 vehicles leased by the Office of Finance and Treasury and the Office of Tax and Revenue.

### **MANAGEMENT RESPONSES AND OIG COMMENTS**

DPW provided written responses to our draft report on January 26, 2006. We consider the actions currently on-going and/or planned to be responsive to our recommendations. However, DPW did not fully address one of the recommendations and did not provide target dates for completion of planned actions for six recommendations. We request that DPW



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provide an updated response to Recommendation 6 that fully meets the intent of the recommendation and target completion dates for Recommendations 6, 7, 8, 16, 18, and 22. The full text of DPW's responses is included at Exhibit D.

## INTRODUCTION

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### BACKGROUND

The OIG has completed an audit of the District of Columbia Department of Public Works (DPW) Inventory, Usage, and Maintenance of District Vehicles. The DPW's mission is to provide sanitation, parking enforcement, fleet maintenance, and energy related services to District of Columbia (District) residents, visitors, and businesses to ensure safe, clean, and aesthetic neighborhoods and public spaces.

The DPW Fleet Management Administration (FMA) supports municipal operations by procuring, fueling, and maintaining thousands of District government vehicles, from sedans and trucks to heavy equipment. In addition, the FMA Office of the Administrator is responsible for management oversight, establishing policy and procedures, and fleet support services for vehicles used by agencies under the authority of the Mayor of the District of Columbia.

**Fleet Management Information System.** FMA uses a Fleet Management Information System (FASTER) that tracks the fleet management process in real time and facilitates the collection of data when and where activity takes place. The system has asset management, work order process, fuel management, parts management, system management, and reporting modules. This audit focused on the equipment inventory component of the asset management module.

The equipment inventory component provides access to all information about a vehicle or piece of equipment from acquisition to disposal and contains a comprehensive historical record. According to FASTER, the acquisition cost of the 3,100 vehicles in the District fleet as of June 15, 2005, was about \$83 million.

**FMA Organization.** FMA provides services through four departments, which include Vehicle Acquisition and Disposal Services, Administrative Services, Maintenance Services, and Fuel and Lube Services.

Vehicle Acquisition and Disposal Services. The Vehicle Acquisition and Disposal Services department provides new and replacement vehicles and equipment to designated District agencies to ensure that they have the appropriate equipment for delivering timely and efficient services. The department also includes a motor pool to provide temporary, short-term vehicle use to District employees who do not have regular access to vehicles. In addition, the department manages the disposal of vehicles that are no longer useful to the District. The primary method FMA uses to dispose of vehicles is to sell them at public auction.

Administrative Services. The Administrative Services department provides support services to FMA and other District government agencies. Support services include

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processing requests for purchase orders and services, managing FMA facilities, coordinating vendor payments, and managing FASTER.

Maintenance Services. The Maintenance Services department provides unanticipated repair services as well as preventive maintenance services to DPW and other designated agencies so they can perform their work in safe and reliable vehicles.

Fuel and Lube Services. The Fuel and Lube Services department manages the ordering of fuel and lubricants for the District fleet. The department distributes the fuel and lubricants using an automated fuel system.

**Inventory of Vehicles at Selected Agencies.** We judgmentally selected 11 District agencies to evaluate the inventory, usage, and maintenance of passenger vehicles in the District fleet, which totaled 2,014 vehicles as of January 31, 2005, according to FASTER. Of the 2,014 vehicles, FMA records showed 298 vehicles assigned to the agencies in our judgmental sample.

## OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to determine the cost effectiveness of vehicle usage and maintenance for District government vehicles, and the accuracy of vehicle inventories. We limited the scope of our audit to passenger vehicles only. However, during the course of our review, we identified internal control weaknesses related to the parts inventory and disposal of District vehicles. Due to other audit priorities, we delayed our review of the parts inventory and the cost effectiveness of vehicle maintenance until later in this fiscal year (FY).

We examined and analyzed agency and FMA documents such as titles, registration, certificates of origin, data input sheets, status reports, accident reports, and FASTER inventory records dated February 25, 1999, to July 7, 2005. We also reviewed daily usage logs for 180 of the 298 District vehicles and conducted discussions with fleet coordinators at the 11 District agencies.

We conducted interviews and discussions with FMA management officials and other employees to gain an understanding of the policies and procedures and other controls used to manage and account for District vehicles. We also conducted discussions with the auction company branch manager, as well as inventory control and accounts receivable employees responsible for sales of District vehicles.

We relied on computer-processed data from the District's System of Accounting and Reporting (SOAR) to provide detailed information on payments received when District vehicles were sold at auction. We did not perform a formal reliability assessment of this data

## INTRODUCTION

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because an independent certified public accounting firm assessed the reliability of SOAR data during the FY 2003 and FY 2004 Comprehensive Annual Financial Audits. However, we performed additional testing of SOAR data by tracing payments to sales reports and other source documents generated by the auction company.

We also relied on computer-processed data from FASTER to obtain detailed information about vehicles assigned to agencies under the authority of the Mayor. For example, we used FASTER data to determine vehicle location and acquisition cost. Although we did not perform a formal reliability assessment of the computer-processed data, we queried FASTER and traced selected outputs to source documents.

We found duplication and data input errors and potential system conversion issues that could affect the completeness, accuracy, and consistency of the data (see Finding 2). However, the errors did not preclude the use of the computer-processed data to meet the audit objectives, and would not change the conclusions in this report.

The audit was conducted in accordance with generally accepted government auditing standards and included such tests as we considered necessary under the circumstances.

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## FINDINGS AND RECOMMENDATIONS

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<b>FINDING 1: INVENTORY OF DISTRICT VEHICLES</b>
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### SYNOPSIS

DPW FMA did not maintain an accurate inventory of all vehicles used by District agencies under the authority of the Mayor. This condition occurred because FMA had not conducted an annual physical inventory since given the responsibility to manage the District fleet in May 2000. Further, FMA did not establish sufficient procedures to adequately account for the vehicles, and did not comply with its own policy to maintain a master file for every vehicle in the District fleet.

In addition, there was a lack of management oversight within FMA. FMA could not provide us with reasonable assurance that it could account for all District vehicles under the agency's responsibility. FMA officials told us that a physical inventory was too time-consuming and burdensome. Another contributing factor included the disregard of District agency fleet coordinators to provide the necessary information to FMA officials for updating inventory records. As a result, FMA officials could not account for 14 vehicles and could not provide us with sufficient documentation to determine the status of 4 other vehicles.

### DISCUSSION

**Criteria.** Criteria governing management of the District fleet are provided by Mayor's Order 2000-75, the District of Columbia Appropriations Act, 2004, the Fiscal Year 2003 Proposed Budget and Financial Plan, and FMA fleet policies and procedures. Policy guidance governing management accountability and control is provided by Office of Management and Budget (OMB) Circular A-123.

Mayor's Order 2000-75, dated May 11, 2000. This Mayor's Order designated DPW as the sole authority to procure, acquire, maintain, repair, and dispose of non-emergency vehicles and equipment used by agencies under the authority of the Mayor. The order also required that DPW establish policies and standards for all phases of vehicle and equipment management from initial procurement to ultimate vehicle disposal. The order required all agencies under the authority of the Mayor to submit to FMA an inventory of all motor vehicles and equipment within 15 days.

District of Columbia Appropriations Act, 2004, Section 418 (b). This appropriations act required the Chief Financial Officer (CFO) of the District of Columbia to submit to Congress by March 1, 2004, an inventory of all District vehicles owned, leased, or operated as of September 30, 2003. The inventory was to include, but was not limited to:

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## FINDINGS AND RECOMMENDATIONS

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the department to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.<sup>2</sup>

FY 2003 Proposed Budget and Financial Plan. The FY 2003 Proposed Budget and Financial Plan contained an appendix describing the District of Columbia Comprehensive Financial Management Policy. This policy required District agencies to perform a complete physical inventory of vehicles at least annually and periodic testing during the year to verify the accuracy of inventory records.

The Comprehensive Financial Management Policy also required agencies to retain documents relating to the acquisition and disposal of vehicles throughout the life of the vehicle and for a minimum of 3 years following the disposal. The policy was included in subsequent fiscal year proposed budget and financial plans and remained generally unchanged as it relates to fixed asset management.

Fleet Management Administration Fleet Policies and Procedures. FMA issued city-wide fleet policies and procedures for improving control and accountability over District vehicles. The policies and procedures became effective in February 2004.

OMB Circular A-123. OMB Circular A-123, revised June 21, 1995, defines management controls, in part, as the organization, policies, and procedures used by agencies to reasonably ensure that resources are protected from waste, fraud, and mismanagement and that laws and regulations are followed. Although this management policy applies only to federal employees, it provides useful guidance for District managers and employees.

**Annual Physical Inventory.** FMA had not conducted an annual physical inventory of District vehicles since given the responsibility to manage the District fleet in May, 2000. Further, we noted that FMA officials did not adequately reconcile differences between agency records, FMA records, and FASTER data. FMA took the following actions in an attempt to obtain accurate inventory records.<sup>3</sup>

- FMA officials held a "round-up" in FY 2000, and requested District agencies to bring in light-duty vehicles for a road worthiness check.

<sup>2</sup> District of Columbia Appropriations Act, 2004, Public Law No. 108-199, § 418(b), 118 Stat. 3 (2004).

<sup>3</sup> These actions were also used by FMA to assess the reliability of computer-generated data from FASTER (Finding 2).

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## FINDINGS AND RECOMMENDATIONS

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- On January 14, 2002, FMA issued an inventory database update memorandum, as well as a list of assigned vehicles to affected District agencies, and requested that officials review, make changes to, and return the updated list.
- Between December 5, 2002, and March 7, 2003, FMA conducted an automated vehicle inventory survey to update the vehicle inventory as part of a city-wide initiative to reassess utilization of the District fleet.
- On January 27, 2005, FMA issued a memorandum regarding an inventory database update with the same requirements as the 2002 memorandum discussed above.<sup>4,5</sup>

While the round-up, inventory database updates, and automated vehicle inventory survey were useful for updating information and could constitute periodic testing of inventory records, we believe that an annual physical inventory of the entire fleet is necessary. A comprehensive physical inventory not only verifies the existence of the vehicles, it also determines the condition of assets and aids in obtaining reasonable assurance that vehicles have not become lost, obsolete, stolen, or unserviceable.

For example, during the 2005 inventory database update, Department of Human Services (DHS) officials indicated that the agency no longer had 30 of the 122 vehicles assigned to it. FMA responded by deactivating the fuel keys. While this action was reasonable, FMA should have taken further steps to locate these vehicles. FMA staff did not take further action because no procedures or guidance had been issued regarding the inventory database update or how to resolve discrepancies.

During our verification of vehicles assigned to the DHS Income Maintenance Administration (IMA), we found 3 of the 30 vehicles at IMA facilities even though IMA officials responded to the inventory database update that they had no knowledge of the vehicles. We verified that 3 of the 30 vehicles had been sold or were located at the auction company awaiting sale. FMA identified 11 of the vehicles by turning off the fuel keys. As of the date of this report, FMA had not located the remaining 13 vehicles. FMA officials should conduct an inventory to account for these vehicles.

**Verification of Vehicle Inventory.** We judgmentally selected 11 agencies to verify the existence of 298 District vehicles assigned to them as of January 31, 2005. We adjusted the number of assigned vehicles from 298 to 301 to delete 2 duplicate records and add 5 vehicles that were excluded from the inventory list provided by FMA, but found on-site at the selected

<sup>4</sup> During the audit, we determined that the vehicle list FMA provided contained inaccurate information regarding the physical location of District vehicles selected for review. As a result, FMA issued this memorandum to obtain current information for FASTER.

<sup>5</sup> We found no record of any projects conducted in 2001 and 2004.

## FINDINGS AND RECOMMENDATIONS

agencies. Of the 301 vehicles, we verified 260. Table 1 below shows the number of vehicles assigned to each agency according to FMA records and the number of vehicles at each agency as verified by our review.

<b>Table 1. Verification of Vehicle Inventory</b>			
<b>Agency/Department</b>	<b>Assigned Per FMA Records</b>	<b>Assigned Per OIG Review</b>	<b>Verified</b>
Fleet Management Administration	70	68	39
Department of Human Services/Income Maintenance Administration	13	15	14
Office of Finance and Treasury	10	10	9
Office of Tax and Revenue	6	6	3
Department of Employment Services	20	20	20
Office of the Attorney General	14	14	12
Office of the Inspector General	8	10	10
District of Columbia Public Library	21	21	21
Department of Consumer and Regulatory Affairs	112	113	109
District of Columbia Lottery and Charitable Game Control Board	19	19	18
Office of Cable Television and Telecommunications	5	5	5
<b>Totals</b>	<b>298</b>	<b>301</b>	<b>260</b>

We could not verify the existence of 41 vehicles. Of the 41 vehicles, 1 was unaccounted for, 5 were not readily available, 17 had been transferred or loaned to other agencies, 12 had been sold, and 6 had been returned to leasing companies. Of the 12 vehicles sold, we verified the sale for each vehicle. Of the six vehicles returned to leasing companies, we verified the return of one vehicle. The results of our inventory validation at the 11 agencies are discussed below.

***Fleet Management Administration.*** FMA officials could not account for 1 of the 68 vehicles assigned to the agency (DC0089).<sup>6</sup> Of the remaining 67 vehicles, we verified the existence of 39, verified that 7 vehicles had been sold, and that 1 vehicle had been returned to the leasing company. We did not verify the existence of 20 of the 67 vehicles because 16 of them had been transferred or loaned to other agencies and 4 were not readily available.

<sup>6</sup> All referenced vehicles will be identified by their license plate numbers.



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## FINDINGS AND RECOMMENDATIONS

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According to FMA officials, the agency was aware that DC0089 could not be accounted for because FASTER had notified the motor pool department several months earlier that its preventive maintenance was due. FMA officials turned off the fuel key but should have taken further steps to locate the vehicle. We attempted to locate DC0089, but were unsuccessful because FMA officials could not provide the physical location of the vehicle and FMA files did not contain information documenting which agency had used the vehicle last. In addition, we could not locate DC0089 by using maintenance records because FASTER did not contain a maintenance history for the vehicle.

FMA officials believed the missing data occurred during the conversion from the previous fleet management system to FASTER, but provided no documentation to support their contention. FMA officials offered several theories about where the vehicle might be, but could not verify its location, and subsequently reported it as stolen.

***Department of Human Services/Income Maintenance Administration (IMA).*** We verified the existence of 14 of the 15 vehicles used by IMA.<sup>7</sup> However, it took our auditor several months to determine the status of three of the vehicles (GT9036, GT9037, and GT9043) due to poor recordkeeping at IMA and FMA. We finally tracked GT9036 to the Youth Services Administration (YSA) in Oak Hill, Maryland and GT9037 to an auction company where it was awaiting disposal. We also determined that the remaining vehicle, GT9043, had been sold.

GT9036. IMA officials loaned GT9036 to YSA without documenting the transfer, and YSA did not document receipt of the vehicle. The IMA fleet coordinator stated that he knew the vehicle was on loan to YSA, but failed to provide that information to FMA during the FY 2005 inventory database update. Because of the lack of documentation, we could not determine how long the vehicle had been at YSA. However, based on IMA and YSA estimates, it appears that the vehicle was in the possession of YSA for about 2 years.

GT9037. IMA and FMA could not account for this vehicle for several months. IMA officials received the FMA 2005 inventory database update and responded that they had no knowledge of GT9037. When we asked to inspect the vehicle, IMA officials told us that it had been “disposed.”<sup>8</sup> After numerous conversations between IMA and FMA officials, an FMA official stated that the vehicle had been sold in September 2004. However, we found GT9037 in July 2005 at an auction company awaiting disposal. The vehicle could not be readily located because FMA miscoded the vehicle in FASTER.

<sup>7</sup> The inventory list provided by FMA showed 13 vehicles assigned to IMA. However, we found two additional vehicles on-site during the verification process.

<sup>8</sup> The word “disposed” is being used in the context of a status category set forth in FASTER.

## FINDINGS AND RECOMMENDATIONS

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GT9043. We were unable to determine the status of GT9043 for several months. IMA officials responded to the FMA 2005 inventory database update that they had no knowledge of GT9043. When we asked to inspect the vehicle, IMA officials told us that it had been disposed.

After numerous conversations between IMA and FMA officials, FMA officials provided an accident report and pictures showing that the vehicle had been totaled in an accident. The official stated that the vehicle was sent to an auction company to be sold at public auction. The accident report and pictures were not included in the FMA vehicle file. Further, the file did not contain a relinquishment form, which FMA policies and procedures require when vehicles are taken out of service for any reason. We verified that GT9043 was sold on August 13, 2004.

Although the proper status code was recorded in FASTER, FMA did not have the paperwork needed to support coding GT9043 as “closed”. Once the vehicle was sold, disposal officials should have provided a copy of the salvage report to FMA staff so the vehicle could be coded in FASTER with the disposal date and amount.

***Office of Finance and Treasury (OFT).*** We verified the existence of 9 of the 10 vehicles assigned to the OFT. OFT officials indicated that the remaining vehicle, a Ford Crown Victoria (GT3363) had been disposed. As a result, FMA officials recorded the vehicle as “closed” in FASTER. When asked about the Crown Victoria, FMA officials stated that the vehicle had been returned to the leasing company but could not provide supporting documentation. Instead, they referred us back to OFT. FMA should coordinate with OFT to determine the status of this vehicle, obtain documentation supporting the physical location of the vehicle, and update FASTER accordingly.

***Office of Tax and Revenue (OTR).*** We verified the existence of three of the six vehicles assigned to the OTR. OTR officials responded to the FMA 2005 inventory database update that the remaining three vehicles had been returned to the leasing company. As a result, FMA officials recorded the vehicles in FASTER as “closed,” showing an out-of-service date of January 1, 2005. However, FMA officials provided no documentation to support that the vehicles were returned to the leasing company. FMA officials also stated that they did not maintain a file on these vehicles because they were leased individually by the agency.

Vehicle leasing by individual agencies makes it more difficult for FMA to account for and document vehicles. However, FMA is responsible for the District fleet and should coordinate with OTR and other agencies to correct these deficiencies, obtain and maintain supporting documentation, and update FASTER accordingly.

***Department of Employment Services (DOES).*** We verified the existence of the 20 vehicles assigned to the DOES and did not identify any issues during the verification process.

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***Office of the Attorney General (OAG).*** We verified the existence of 12 of the 14 vehicles assigned to the OAG. OAG officials received the FMA 2005 inventory database update and responded that the remaining two vehicles had not been disposed but were no longer in their inventory. OAG officials told OIG auditors that one of the vehicles (GT3347) had been on loan from the Metropolitan Police Department (MPD) and subsequently taken out of service, and that the second vehicle (DC0710) had been totaled in an accident.

Loaned Vehicle. We could not verify the existence of GT3347 because FMA was not responsible for MPD vehicles, and did not establish adequate procedures addressing intra-agency loans and transfers. FMA should coordinate with the MPD and other District agencies to establish standard and consistent procedures for recording vehicles loaned between agencies to limit duplicate reporting.

For example, GT3347 was included in the FY 2003 inventory FMA provided to the CFO for submission to Congress, but it is unknown if the MPD also included this vehicle in its inventory to Congress. As a result, the potential for duplicate or under reporting exists (see Finding 2). In addition, FMA should obtain documentation from either the OAG or MPD supporting the status of the vehicle and update FASTER accordingly. GT3347 was listed in FASTER as “closed” as of May 24, 2005, with no taken-out-of service date or reason for disposal.

Totaled Vehicle. FMA officials could not show the final disposition of DC0710, which was leased and totaled in an accident on March 4, 2002. In addition, we could not determine which agency had custody of the vehicle at the time of the accident. According to FMA files, DC0710 was assigned to the DHS, Child Support Division on February 19, 2002. According to the vehicle accident report, the OAG was the owner. FASTER listed the OAG as the department code but listed the DHS contact name in the comments section. The department code should be used to identify ownership and the comments section should be used for clarification.

FMA officials stated that they had been unable to obtain documentation from the leasing company regarding the final disposition of the vehicle. We contacted the leasing company and determined that the insurance company made full payment for the vehicle, which was totaled. Although the leasing company could not provide documentation supporting that the vehicle had been removed from the custody of FMA, officials assured us, in writing, that the insurance company had taken possession of the vehicle.

***Office of the Inspector General (OIG).*** We verified the existence of the 10 vehicles used by the OIG. According to the inventory list provided by FMA, only eight vehicles were assigned to the OIG. Finding 2 addresses the issue of incomplete data in FASTER.

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***District of Columbia Public Library (DCPL).*** We verified the existence of the 21 vehicles assigned to the DCPL and did not identify any issues during the verification process.

***Department of Consumer and Regulatory Affairs (DCRA).*** We verified the existence of 109 vehicles at the DCRA and verified that 4 vehicles had been sold at auction. The inventory list provided by FMA showed 112 vehicles assigned to DCRA. We found one additional vehicle on-site during the verification process.

***District of Columbia Lottery and Charitable Game Control Board (DCL).*** We verified the existence of 18 of 19 vehicles assigned to the DCL. The remaining vehicle was in the shop at the time of our visit. Although we did not verify the existence of the vehicle, FMA maintenance records indicate that DCL officials took possession of the vehicle once the repairs were complete.

***Office of Cable Television and Telecommunications (OCTT).*** We verified the existence of the five vehicles assigned to the OCTT and did not identify any issues related to the verification process.

**FMA Policies and Procedures.** As part of a December 1, 2000, contract to upgrade FASTER, fleet policies and procedures were developed for FMA to improve control and accountability over District vehicles. The policies and procedures became effective in February 2004.

Procedure 1-1 requires the FMA Administrator, FMA managers, and agency fleet coordinators to conduct an annual review of FMA policies and procedures to ensure that they are accurate and complete. According to FMA officials, the policies and procedures were distributed by the FMA Administrator to agency heads at a cabinet level meeting. In addition, the policies and procedures were provided to agency fleet coordinators in attendance at a May 25, 2004, fleet coordinators' meeting.

However, our review revealed that the policies and procedures regarding inventory, securing vehicle keys, and training are not adequate because they are confusing (i.e., the policies and procedures make contradictory statements) and do not always establish responsibility and accountability. In addition, FMA requests for feedback as part of the annual policy review were mostly ignored.

**Inventory Policies.** Procedure 7-2-2 requires a 6-month inventory and inspection of facility assets, but does not specifically require FMA officials to perform an inventory of vehicles assigned to FMA or agency vehicles for which FMA is responsible. We interviewed several officials from different departments at FMA and found that no one was aware that policies and procedures required a physical inventory of vehicles. FMA officials believed

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the inventory described in Procedure 7-2-2 applied to desks, computers, and other building assets that were tagged and inventoried on an annual basis by the Office of the CFO.

Policies Concerning FMA Vehicle Keys. Procedure 7-2-2 also requires FMA officials to secure keys to vehicles brought in for maintenance but does not address vehicles assigned to and used by FMA. On at least three occasions, we observed large numbers of vehicle keys left on a counter and accessible to the public, while FMA employees were away from their desks. This office was in a high traffic area because of motor pool operations. We discussed this issue with appropriate FMA officials who agreed to remind employees of the need to secure vehicle keys.

FMA officials had taken steps to improve control over vehicles by using security gates and guards to control access to the complex and installing outside cameras. Although these actions have improved accountability over vehicles housed at the FMA complex, additional steps are needed. FMA officials admitted that the controlled access did not deter at least two incidents of District of Columbia employees stealing vehicles. Accordingly, securing the vehicle keys is an additional internal control FMA should implement.

Training Policies. Procedure 7-2-1 describes the areas in which personnel should be trained, but focuses entirely on Maintenance Services branch employees. Although the policy states that FMA follows the DPW master training plan, the very next procedure provides that the FMA Administrator shall develop a formal training program. The OIG addressed the adequacy of the DPW FMA master training plan in OIG Inspection Report 01-0001KA in April 2001. The OIG Report of Re-Inspection, dated July 5, 2005, found that FMA had improved training in the maintenance services department, but still did not have a formal training program.

When we requested a meeting to discuss training with FMA officials on August 1, 2005, we were referred to an official at DPW. Several employees indicated that they had not been properly trained on accountability and control of vehicles. We believe FMA needs to participate in planning and managing a training program tailored to the specific needs of FMA employees.

Annual Policy Review. The annual review of the policies and procedures was on-going at the time of our audit. FMA had requested feedback from the District agency fleet coordinators, as well as from FMA officials. However, the employee responsible for consolidating the results stated that only one or two FMA employees provided comments of any substance. In addition, District agency fleet coordinators did not provide feedback or comments during the annual review of policies and procedures. Consequently, we believe that agency fleet coordinators and FMA officials did not take ownership of the fleet policies and procedures (i.e., individuals responsible for formulating, shaping, and implementing the

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policies and procedures did not participate or have a role in developing or updating those policies).

Based on the weaknesses identified during this audit, we believe that FMA officials should evaluate operations, conduct an in-depth review of the policies and procedures, and revise the policies and procedures to more appropriately reflect operations. In addition, FMA should take a more proactive role to involve management and employees, as well as District agency fleet coordinators, in revising the policies and procedures.

**Fleet Master File.** FMA did not maintain a fleet master file (file) for every vehicle in the District fleet as required by FMA Procedure 7-2-3, and the files maintained were often incomplete. In addition, FMA did not have an adequate system for tracking the location of all vehicle files.

Procedure 7-2-3 requires the file to contain data input forms, title, registration, completed driver checklists, transfer forms, relinquishment forms, copies of maintenance request forms, copies of completed maintenance work orders, and any other pertinent information regarding the vehicle. Procedure 7-2-3 also requires the contents of the files to be kept current to within 1 week of the last activity, and indicates that the files should be available on a need-to-have basis. However, the policies and procedures did not designate the official responsible for managing the files and ensuring compliance.

We reviewed the files for 36 of the 68 vehicles assigned to FMA. Files did not exist for 7 of the 36 vehicles and were not adequate for the remaining 29 vehicles. Although all the files reviewed contained titles, certificates of origin, DMV registration, and data input sheets, they did not include the other required documentation. In addition, transfer forms were often incomplete. Examples of missing data include dates, transferring agency, and signatures. None of the reviewed files included copies of maintenance request forms and work orders. Further, three of the files reviewed should have included incident or accident reports but were missing this documentation.

FMA officials should comply with the requirement to maintain vehicle files and document activities within 1 week. Additionally, FMA should create a database tracking system to monitor the location of all vehicle files and require that the database be updated each time a file is moved to a new location.

**Management Oversight.** As part of the audit process, we interviewed FMA officials assigned overall responsibility for managing District vehicles, revising the fleet policies and procedures, and conducting the physical inventory. When requested, the officials could not readily provide an accurate list of all vehicles under their responsibility, were unaware of all responsibilities related to the District fleet, and were not fully cognizant of management control concepts concerning accountability and control of the District fleet.

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### **Conclusion**

The intent of Mayor's Order 2000-75 was to designate a centralized authority to establish, govern, and monitor a total fleet management program for the District government; however, DPW FMA has only partially fulfilled that responsibility. To effectively manage the District fleet, DPW should ensure that an annual physical inventory of all vehicles under its authority is performed. In addition, DPW needs to be more proactive in partnering with District agencies to obtain accurate and timely information. Although DPW has taken some steps to manage the District fleet, additional improvements are needed.

### **RECOMMENDATIONS**

We recommended that the Director, Department of Public Works:

1. In coordination with agency fleet coordinators, conduct an annual physical inventory and periodic testing (e.g., inventory database update) of assigned vehicles;
2. Review and compare data obtained from the annual physical inventory and periodic tests to data contained in FASTER, identify and resolve discrepancies, and update information in FASTER as necessary;
3. Coordinate with District agency heads and fleet coordinators to facilitate the submission of accurate and timely information regarding assigned vehicles;
4. Conduct a physical inventory to find the 13 unaccounted for vehicles assigned to the Department of Human Services and the 1 unaccounted for vehicle assigned to FMA;
5. Coordinate with the Office of Finance and Treasury and the Office of Tax and Revenue to determine the status of the four leased vehicles, obtain supporting documentation, and update FASTER accordingly;
6. Coordinate with the Metropolitan Police Department and other District agencies to establish standard and consistent procedures for recording vehicles loaned between agencies to limit duplicate reporting;
7. Revise and clarify FMA policies and procedures to adequately address completion of an annual physical inventory, resolution of discrepancies identified by the physical inventory, security of vehicle keys, and a training program;

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8. Secure vehicle keys in accordance with the newly clarified policy;
9. Comply with FMA policies and procedures to maintain a fleet master file for each vehicle in the District fleet and require agency fleet coordinators to do the same for assigned vehicles;
10. Designate an official responsible for maintaining and managing the fleet master files;
11. Create a database tracking system to monitor the location of all fleet master files and require that the database be updated each time a file is removed or moved to a new location;
12. Plan and manage a training program tailored to the specific needs of FMA employees; and
13. As part of the annual policy review, develop a coordinated approach, involving FMA management officials and employees, as well as agency fleet coordinators, to evaluate needed improvements in FMA policies and procedures.

### **DPW's RESPONSE**

DPW concurred with the recommendations. For Recommendation 6, DPW officials stated that FMA is the only agency authorized under the Mayor's authority to re-deploy vehicles and that additional discussion with the DPW Director is needed regarding coordination with the Metropolitan Police Department. DPW's full response is included at Exhibit D.

### **OIG's COMMENT**

Although DPW responded to the recommendations, DPW officials did not provide target dates for completion of planned action for Recommendations 6, 7, and 8. In addition, DPW's response to Recommendation 6 does not address how FMA plans to limit duplicate reporting when the agency loans vehicles to other agencies, in this case the Metropolitan Police Department.



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### FINDING 2: RELIABILITY OF INVENTORY RECORDS

#### SYNOPSIS

DPW FMA officials did not effectively utilize FASTER to record complete, accurate, and consistent information about District vehicles. This condition occurred because FMA officials had not adequately assessed the reliability of computer-generated data or established standard operating procedures for generating and compiling reliable data. Further, FMA did not review the FASTER data prior to providing the data to the CFO for submission to Congress, as required by the District of Columbia Appropriations Act, 2004. As a result, the reliability of inventory records is questionable.

#### DISCUSSION

Criteria governing the overall management of the District fleet are provided by Mayor's Orders 2000-75 and the District of Columbia Appropriations Act, 2004. OMB Circular A-123 provides guidance on management accountability and control. GAO-03-273G provides guidance for assessing the reliability of computer-processed data.

Mayor's Order 2000-75, dated May 11, 2000. This Mayor's Order designated the Department of Public Works (DPW) as the sole authority to establish policies and standards for all phases of motor vehicle and equipment management.

District of Columbia Appropriations Act, 2004, Section 418 (b). This appropriations act required the CFO of the District of Columbia to submit to Congress by March 1, 2004, an inventory of all District vehicles owned, leased, or operated as of September 30, 2003. The inventory was to include, but not be limited to:

the department to which the vehicle was assigned; the year and make of the vehicle; the acquisition data and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle was allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.<sup>9</sup>

On May 28, 2004, the CFO issued a memorandum to the FMA Administrator requiring that information regarding vehicles assigned to DPW and vehicles managed by FMA for other agencies be submitted by July 8, 2004, for the FY 2003 inventory to Congress. The

<sup>9</sup> District of Columbia Appropriations Act, 2004, Pub. L. No. 108-199, § 418(b), 118 Stat. 3 (2004).

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memorandum contained a list of the data elements needed for the report and instructions regarding report format.

OMB Circular A-123. OMB Circular A-123, revised June 21, 1995, defines management controls, in part, as the organization, policies, and procedures used by the agency to reasonably ensure that reliable and timely information is obtained, maintained, and used for decision making. The circular requires managers to assess the adequacy of management controls, identify improvements, and to take corrective action. Although this management policy applies only to federal employees, it provides useful guidance for District managers and employees.

The Government Accountability Office Guide to Assessing the Reliability of Computer-Processed Data. The Government Accountability Office (GAO) issued guidance for assessing the reliability of computer-processed data in GAO-03-273G. The guidance defines reliable data as data that is accurate, complete, and consistent. In addition, information should be clear, well-defined, and adequately documented.

**Fleet Management Information System.** The Fleet Management Information System (FASTER) is software that tracks the fleet management process in real time and facilitates the collection of data when and where activity takes place. According to FMA officials, the agency converted back to FASTER in 2003 after using the Maximus M4 fleet management system for 1 year as mandated by the Office of the Chief Technical Officer, and finding that it did not meet the agency's needs. Although we did not audit FASTER or the conversion from the Maximus M4, we conducted limited testing of the data to address the reliability of inventory records.

FMA officials assigned a six digit number (equipment number) to each District vehicle under their responsibility. The first two digits represented the District agency to which the vehicle was assigned, and the last four digits typically represented the District of Columbia license plate number. FMA changed the first two digits of equipment numbers each time they transferred vehicles to different agencies.

FMA officials established eight warehouse accounts<sup>10</sup> in FASTER and used two status

<sup>10</sup> FMA used the following codes: Company 001 (DPW Fleet Management Division) to identify vehicles assigned to DPW and District agencies under its responsibility; Company 002 (Metropolitan Police Department); Company 003 (Fire and Emergency Medical Services); Company 004 (Water and Sewer Authority); Company 005 (District of Columbia Public Schools); Company 006 (Pending Property Disposal Action) to represent vehicles awaiting disposition; Company 007 (Closed) to identify vehicles taken out of service; and Company 008 (Charity Vehicles) to represent vehicles purchased and given to charitable organizations until no longer needed, at which time FMA was responsible for re-assigning or disposing of the vehicles.

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categories<sup>11</sup> within each warehouse account to categorize vehicles. FMA also established 14 attributes<sup>12</sup> that officials could use for recording data. The audit focused on vehicles recorded in three warehouse accounts: Company 001 (DPW Fleet Management Division); Company 006 (Pending Property Disposal Action); and Company 007 (Closed). These accounts will hereafter be referred to as the FMD, disposal-in-process, and closed accounts, respectively.

**Complete, Accurate, and Consistent Information.** FMA officials did not effectively utilize FASTER to record complete, accurate, and consistent information about District vehicles. In addition, adequate management controls related to maintaining complete, accurate, and consistent information did not exist.

Complete Information. FMA did not record and maintain complete inventory information in FASTER. For example, while verifying the existence of vehicles at selected agencies, we identified five vehicles that were not included on the FMA inventory list dated January 31, 2005. We also found an unaccounted for vehicle at the FMA complex that was excluded from FASTER.

*Vehicles Excluded from List.* Of the five vehicles excluded from the inventory list, we located two at the DHS/IMA, two at the OIG, and one at DCRA. The FMA employee responsible for entering vehicles into FASTER could not explain why the five vehicles were not on the list.

*Unaccounted for Vehicle.* While verifying FMA vehicles, we found a van in the parking lot with no license plates. We brought this matter to the attention of FMA staff who said the van could not be added to FASTER until the registration process was complete. However, the FASTER systems administrator stated that vehicles could be added to the system without an equipment and license plate number as long as a vehicle identification number was available. The vehicle identification number for the van was available.

In addition, the acquisition manager was unaware of the van or its origin, stating that it was standard operating procedure to complete the registration process before recording vehicles in FASTER, even though the registration process could take as long as 3 weeks. We tested this claim by reviewing the files of a 2005 vehicle. FMA acquired a 2005 Honda Civic on May 9, 2005, and officials recorded the vehicle in FASTER 9 days later on May 18, 2005.

<sup>11</sup> FMA used the status categories of “acquire” and “dispose.”

<sup>12</sup> FMA established 14 attributes. The 9 attributes of A (active), C (closed), D (deleted/disposed), I (inactive), L (leased), R (returned), S (sold), T (transfer), and Z (pending property disposal action) appear under the “acquire” status category. The 5 attributes of A (auctioned), I (inner city transfer), E (scrapped), T (taken out of service), and W (wrecked) appear under the “dispose” status category.

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Delays in recording vehicles in FASTER cause incomplete data and increase the risk of agency officials being unable to account for District vehicles.

Accurate Information. FMA officials did not record accurate information in FASTER, recorded duplicate entries, and used hyphens to bypass system controls.

*Accurate Records.* In our sample of 301 vehicles, we identified 22 records with inaccurate information in FASTER. Of the 22 records, 19 contained erroneous vehicle identification numbers and 3 contained the wrong year and model. We believe these errors were typographical in nature, and not significant in and of themselves. However, the errors, when considered with other types of errors such as duplicate records, become significant in the aggregate.

*Duplicate Records.* During our review, we identified 15 duplicate records, which are listed in Exhibit B to this report. We discussed five of the duplicate records with the employee responsible for updating FASTER, but the employee could not explain them. According to FMA, only two employees had the access needed to change records in FASTER.

FMA officials stated that FASTER recognizes duplicate equipment numbers but not duplicate license, title, or vehicle identification numbers. We suggested that FMA officials contact the company that designed FASTER to determine if it could be programmed to identify other types of duplicate numbers. Although FMA officials were noncommittal about the suggestion, they agreed that a periodic review of FASTER was needed to identify and resolve duplicate records.

FMA officials queried FASTER as of June 21, 2005, to identify duplicate records and deleted them. However, officials did not provide documentation to support that the appropriate research was conducted to determine that records were, in fact, duplicative before deleting them. For example, during the last stage of our audit, we found that FASTER no longer contained a record for DC2451, even though we verified the existence of the vehicle (equipment number 61-2451), a Ford Taurus, assigned to the Office of Cable Television and Telecommunications.

Until FMA establishes policies and procedures for generating reliable FASTER data, and assesses and documents the reliability of the data, officials should not delete records. Instead, FMA officials should create a separate FASTER warehouse account, or develop another method, to account for questionable records that are pending resolution.

*Use of Hyphens.* FMA officials used hyphens to bypass system controls. For example, officials added hyphens when FASTER would not allow records to be added because the equipment number was already assigned to another vehicle in the system.

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However, adding hyphens to the equipment number only produces a confusing system of records. Further, FMA officials did not consistently use the hyphen. Table 2 shows FMA's inconsistent use of hyphens to distinguish equipment numbers.

<b>Table 2. Use of Hyphens in Equipment Numbers</b>			
Equipment Number	License Number	Description	Vehicle Identification Number
545005	N/A	1993 Kohler Generator	500546
54-5005	DC5005	2003 Honda Motor Scooter	3H1HF03083D801883
341784	GT1784	1999 Ford F-250	1FTNF21F7XEB55855
341784-A	DC1784	2001 Sterling SC8000	1FVAAEBV52DK06051
951110	DC1110	2002 International 4900	1HTSDAAR42H526168
95-110A	N/A	2004 Yale Forklift	C813V0311A
980135	DC0135	2001 Ford Utility	1FTNLX21L41ED61578
98-0135	GT0135	1999 Custom 20 Trailer	5B7321537X1004057

Consistent Data. FMA officials did not consistently record District vehicles in the FMD, disposal-in-process, and closed accounts; used ambiguous inventory attributes when categorizing data; and did not always record the physical location of vehicles. See Table 3 for the number of vehicles recorded in each FASTER warehouse account as of June 10, 2005.

Table 3. Vehicles Recorded in FASTER Warehouse Accounts						
	FMD		Disposal-in-Process		Closed	
Inventory Attribute	Acquire Status	Dispose Status	Acquire Status	Dispose Status	Acquire Status	Dispose Status
A (Active)	3,401	0	3	0	57	1 <sup>13</sup>
C (Closed)	24	0	4	0	4,084	0
D (Deleted/Disposed)	61	0	0	0	181	0
I (Inactive)	0	0	0	0	0	1 <sup>14</sup>
L (Leased)	1	0	0	0	0	0
R (Returned)	1	0	0	0	0	0
S (Sold)	1	63	0	0	1	934
T (Taken Out of Service)	0	0	0	4	0	603
Z (Pending Disposal Action)	5	0	74	0	44	1
W (Wrecked)	0	0	0	0	0	1
Total	3,494	63	81	4	4,367	1,541
Total by Company <sup>1</sup>	3,557		85		5,908	
<sup>1</sup> Total by Company includes large and small equipment such as sweepers, snow removal equipment, and mowers which were excluded from the scope of this audit.						

<sup>13</sup> Under the Dispose Status, an A means auctioned.

<sup>14</sup> Under the Dispose Status, an I means inner city transfer.

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*FMD Account (Company 001).* FMA officials recorded 155 vehicles<sup>15</sup> in the FMD account, even though they had been coded as closed, deleted or disposed, returned, sold, or pending property disposal action. In addition, FMA recorded one vehicle as leased.

We do not believe FMA should record vehicles coded as closed, deleted or disposed, returned, sold, or pending property disposal action in the FMD account because this account should include only active vehicles. Separate warehouse accounts exist for recording property pending disposal action (disposal-in-process account) and disposals (closed account). Further, the dispose status, by definition, should be reserved for vehicles confirmed as being disposed.

Although the vehicle identified as leased may have been properly recorded, we question the consistency of the coding because it is the only vehicle recorded in FASTER as being leased, yet FMA reported leasing 147 vehicles in FY 2003.

*Disposal-in-Process Account (Company 006).* FMA officials recorded 11 vehicles<sup>16</sup> in the disposal-in-process account, even though the vehicles were coded as active, closed, and taken out of service. We do not believe FMA should record vehicles coded as active, closed, and taken out of service in the disposal-in-process account because this account should be reserved for vehicles pending disposal. A separate warehouse account exists for recording disposals (closed account). As previously stated, the dispose status should be reserved for vehicles confirmed as being disposed.

*Closed Account (Company 007).* FMA officials recorded 4,367 vehicles in the closed account using the acquire status instead of the dispose status. In addition, officials recorded two vehicles in the closed account even though they were coded as active and pending property disposal action, respectively. By definition, FMA should use neither the acquire status of the closed account to record vehicles taken out of service, nor the closed account for active vehicles or vehicles pending disposal, because separate warehouse accounts exist for those vehicles.

Although the vehicle identified as wrecked may have been properly recorded, we question the consistency of the coding because it is the only vehicle recorded as such in FASTER, and we identified several wrecked vehicles while verifying the existence of the District fleet.

<sup>15</sup> FMA coded 24 vehicles as closed (C), 61 as deleted/disposed (D), 1 as returned (R), 64 as sold (S), and 5 as pending property disposal action (Z), for a total of 155 vehicles.

<sup>16</sup> FMA coded 3 vehicles as active (A), 4 as closed (C), and 4 as taken out of service (T), for a total of 11 vehicles.

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*Ambiguous Inventory Attributes.* FMA used inventory attributes that were ambiguous, and thus subject to interpretation. For example, taken out of service, deleted/disposed, and inactive are vague terms that could mean:

1. transferred to another agency,
2. turned in to FMA for reassignment or disposal,
3. wrecked,
4. sold,
5. returned to the leasing company, or
6. deleted from the database.

According to FASTER, FMA removed 604 vehicles from service during FY 2000 to FY 2005. Other than vehicles returned to leasing companies, FMA officials could not provide a consistent definition of vehicles taken out of service. We discussed this ambiguity with FMA officials who agreed that inventory attributes should be changed to more clearly describe a vehicle's status.

Although we did not provide FMA officials with a specific list of vehicles we believed to be improperly recorded, we discussed the issue in general with the FASTER systems administrator, who agreed that FMA officials should review how they record data. The administrator stated that FMA had been using the same warehouse accounts, categories, and inventory attributes since at least 1995 and was unaware of any substantive review to determine how well those groups represented current operations.

*Physical Location of Vehicles.* FMA did not always record the physical location of vehicles in FASTER, even though the system contained a database field named "site" that should have been used for that purpose. FMA often recorded the address of the agency fleet coordinator in the site field instead of the actual physical location of the vehicle. For example, FASTER records indicated that the 10 vehicles assigned to the OIG were located at 717 14<sup>th</sup> Street, NW. However, only one vehicle was physically located at that site; whereas the nine remaining vehicles were physically located at 1333 H Street, NW.

FMA officials also recorded the FMA complex address (West Virginia Avenue and 15<sup>th</sup> Street, NE) in FASTER for 17 vehicles assigned to the agency, even though the vehicles had been sold, towed to the auction company for disposal, and transferred or loaned to other agencies. FASTER also listed the site of GT0174, a vehicle assigned to FMA, as 1901 D Street, SE. However, OIG auditors found the damaged vehicle on the rooftop of a building in the FMA complex.

**FMA Assessment of the Reliability of Computer-Processed Data.** While FMA took several actions to update FASTER data, officials did not adequately assess the reliability of computer-processed data. For example, to update FASTER data, FMA officials held a

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“round-up,” and conducted inventory database updates and an automated vehicle inventory survey. These actions were useful in terms of updating automated information; however, they were not effective for assessing data reliability because the original request was limited to certain FASTER warehouse accounts, and the process and results were not adequately documented.

Round-up. In the FY 2000 round-up, FMA requested District agencies to bring in light duty vehicles for a road worthiness check. According to the FMA round-up summary, agencies did not present 86 vehicles for the road worthiness check, and 155 vehicles failed the check and were subsequently disposed. However, no documentation existed to show that the 86 missing vehicles and the 155 disposed vehicles were properly recorded in FASTER.

Inventory Database Updates. The 2002 and 2005 inventory database updates were inadequate to assess the reliability of computer-processed data because the initial requests for data were limited to vehicles assigned to the FMD account. In addition, the 2005 inventory database update resulted in more erroneous data. For example, FMA officials moved vehicles from the FMD account to the closed account, without verifying the status of each vehicle, when District agency officials indicated that vehicles were no longer in the agency’s inventory.

FMA officials agreed that the practice of moving vehicles to the closed account without supporting documentation was not acceptable. FMA officials stated that vehicles should be moved to the disposal-in-process account until the status of each vehicle is resolved. We believe, however, that the disposal-in-process account should only be used for vehicles in the disposal process and not for vehicles whose status is undetermined. FMA should establish another warehouse account for vehicles whose status is unknown when reconciling the results of physical counts to inventory records.

We did not attempt to trace the results of the 2002 update to FASTER because FMA used the Maximus M4 information system in 2002. Although FMA officials referenced the conversion and cited it as justification for the discrepancies identified during the audit, we often found other reasons for the discrepancies. As a result, we did not quantify potential conversion issues. However, FMA officials should review the conversion effort to identify any issues still outstanding and take corrective action.

Automated Vehicle Inventory Survey. The 2003 automated vehicle inventory survey was another positive step in updating FMA inventory records, but inadequate for assessing the reliability of computer-processed data because the survey was limited to light-duty vehicles. Further, FMA officials did not document the results or the changes made to FASTER as a result of the responses received from the agencies.



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## FINDINGS AND RECOMMENDATIONS

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**FY 2003 Report to the Chief Financial Officer.** For FY 2003, FMA provided an inventory of 2,230 vehicles, with a total acquisition and lease cost of \$71.3 million, to the CFO for submission to Congress. Limited testing of this report identified an inventory of 2,250 vehicles and 10 duplicate records as well as missing license plate numbers, vehicle identification numbers, and acquisition costs. The report also did not include vehicles assigned to the Department of Mental Health, Office on Aging, the Child and Family Services Agency, and the Office of the Chief Medical Examiner. According to FASTER, 320 passenger vehicles were assigned to these 4 agencies as of January 31, 2005.

We noted that the FMA employee responsible for compiling the data for the report did not have adequate guidance explaining the importance of accurate data and which agencies to include in the report. According to the employee, an analysis of the data had not been performed before submitting the report.

Three basic tests – sorting the data by license plate number, vehicle identification number, and acquisition cost – would have identified the duplicate records and missing data. These tests could have been performed prior to submission of the data to the CFO. When questioned by the OIG as to the decision regarding which agencies to include in the report, the employee stated that the FMA Administrator made the decision to omit the four agencies.

### Conclusion

Data are reliable when they are accurate, complete, and consistent. In addition, data should be clear, well-defined, and adequately documented. Specifically, reliable data contains all data elements and records and reflects source information. The extent of FASTER's reliability problems is not known; however, inconsistent coding practices, limitations in identifying duplicate records, a lack of reliability checks performed on the database, and data inaccuracies raise questions about the reliability of the inventory records FMA used to make decisions and compile reports provided to the CFO and Congress.

### RECOMMENDATIONS

We recommended that the Director, Department of Public Works:

14. Assess the reliability of computer-generated data and implement procedures for generating and compiling reliable data;
15. Resolve data reliability problems identified in this report, as well as review FASTER data periodically to identify and resolve reliability issues, especially prior to providing the inventory to the CFO for submission to Congress;

## **FINDINGS AND RECOMMENDATIONS**

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16. Evaluate the data conversion from the Maximus M4 information system to FASTER to identify any anomalies that may have occurred and create a formal plan for correcting those issues; and
17. Implement the necessary management controls to ensure that supporting documentation is prepared, accurate, and properly maintained.

### **DPW's RESPONSE**

DPW concurred with the recommendations. DPW's full response is included at Exhibit D.

### **OIG's COMMENT**

We consider DPW's actions to be responsive to and meet the intent of the above recommendations, but DPW officials did not provide the target date for completion of planned actions for Recommendation 16.

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## FINDINGS AND RECOMMENDATIONS

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<b>FINDING 3: USAGE OF DISTRICT VEHICLES</b>
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### SYNOPSIS

DPW FMA officials did not prepare and maintain a daily record (daily usage log) of all individuals with custody of District vehicles, or establish and implement procedures to ensure that the tracking requirements of Mayor's Order 2001-85 were met by District agency fleet coordinators. This condition occurred because of agency fleet coordinators' and FMA managements' lack of attention to the requirement to maintain daily usage logs. Consequently, we could not determine whether District vehicles were used only by authorized individuals for official purposes. Although we identified 23,934 unexplained miles, we did not identify specific instances of misuse or unauthorized use of District vehicles.

### DISCUSSION

Criteria governing District vehicle usage is provided in Mayor's Order 2001-85 and FMA fleet policies and procedures. Criteria governing management accountability and control are provided by OMB Circular A-123.

Mayor's Order 2001-85, dated June 12, 2001. This Mayor's Order requires the head of each agency to maintain a system that includes a daily usage log of who has custody of each vehicle at all times; miles driven; purpose; physical condition before and after assignment; and a report of accidents, incidents, citations, or summons occurring during assignment.

FMA Policies and Procedures. FMA Policies and Procedures did not contain the requirement to prepare daily usage logs as required by Mayor's Order 2001-85. Although the policies and procedures contained Form 7-1-1A, "Vehicle Operator Checklist," which provided a space for recording mileage in and mileage out, the checklist was designed to document the condition of vehicles and did not contain the other data elements needed to meet the intent of the Mayor's Order. FMA Procedure 7-2-3 requires that FMA maintain this form, as well as other pertinent documents related to vehicles, for 3 years after vehicle disposal.

OMB Circular A-123. OMB Circular A-123, revised June 21, 1995, defines management controls, in part, as the organization, policies, and procedures used by the agency to reasonably ensure that laws and regulations are followed.

## FINDINGS AND RECOMMENDATIONS

**Daily Usage Logs.** We identified three agencies that did not prepare daily usage logs for any of the assigned vehicles. Two of these agencies began preparing daily usage logs as a result of the audit. We reviewed daily usage logs for 180 vehicles assigned to 8 of the 11 District agencies selected for review, and identified 26,560 unexplained miles (see Table 4).

<b>Table 4. Vehicles With Daily Usage Logs</b>					
<b>Agency</b>	<b>Vehicles</b>	<b>Prepared</b>	<b>None</b>	<b>Inadequate</b>	<b>Unexplained Miles</b>
Fleet Management Administration	68	12	56	10	12,209
Income Maintenance Administration	15	11	4	9	11,197
Office of Finance and Treasury	10	6	4	N/T <sup>17</sup>	N/T
Office of Tax and Revenue	6	0	6	N/D <sup>18</sup>	N/D
Department of Employment Services	20	16	4	16	1,265
Office of the Attorney General	14	3	11	3	0
Office of the Inspector General	10	10	0	N/T	25
District of Columbia Public Library	21	15	6	15	1,650
Department of Consumer and Regulatory Affairs	113	107	6	N/T	N/T
District of Columbia Lottery and Charitable Game Control Board	19	0	19	19	214
Cable Television and Telecommunications	5	0	5	5	N/D
<b>Total</b>	<b>301</b>	<b>180</b>	<b>121</b>	<b>77</b>	<b>26,560</b>

<sup>17</sup> Not tested.

<sup>18</sup> Not determined because the daily usage logs either did not exist or did not contain information needed to calculate unexplained mileage.

## FINDINGS AND RECOMMENDATIONS

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***Fleet Management Administration.*** FMA did not comply with the Mayor's Order to prepare and maintain daily usage logs for 56 of the 68 vehicles assigned to the agency. In addition, our review of the daily usage logs for the remaining 12 vehicles identified 12,209 unexplained miles. Of the 68 vehicles assigned to FMA, 3 were assigned to Fuel & Lube Services; 8 were assigned to Maintenance Services; 4 were assigned to Emergency Road Service; and 53 were assigned to the FMA motor pool.

Fuel and Lube Services. We reviewed daily usage logs dated May 2 through May 27, 2005, and found that vehicle operators properly prepared and maintained daily usage logs for two of the three vehicles assigned to the Fuel and Lube Services department. Daily usage logs were not available for the third vehicle, which was returned to the leasing company on March 1, 2004. In accordance with the FMA policies and procedures, daily usage logs should have been available for at least 3 years after disposal.

Maintenance Services. Maintenance Services vehicle operators prepared and maintained daily usage logs for four of the eight vehicles assigned to them; however, the daily usage logs were not adequate and 3,175 unexplained miles were identified. During the audit, operators began preparing and maintaining daily usage logs for one (DC0040) of the four remaining vehicles. We identified 388 unexplained miles during the first 15 days that FMA officials prepared daily usage logs for DC0040; but subsequently noted improvement.

Maintenance Services operators could not provide daily usage logs for two of the four vehicles because, according to FMA officials, the vehicles had been loaned or transferred to other agencies. However, daily usage logs documenting the use of these vehicles prior to the loan/transfer should have been retained for at least 3 years thereafter. We did not review daily usage logs for the remaining vehicle because the documents were not readily available.

We reviewed daily usage logs dated April 1, 2005, through July 28, 2005, and found they were prepared every 1 to 29 business days and often contained only the date, license plate number, operator name, mileage out, and the departure location. The daily usage logs should have also included the mileage in and destination location in order to compute the miles driven.

Emergency Road Service. Emergency Road Service vehicle operators prepared and maintained daily usage logs for three of the four vehicles assigned to the unit; however, daily usage logs were often missing. We reviewed daily usage logs dated June 2, 2003, through June 20, 2005, and determined that they were prepared every 1 to 129 business days and that 8,641 miles were unexplained. Discrepancies in the daily usage logs continued to exist even after an FMA manager began reviewing them in mid-2004.

The security officer assumed responsibility for the fourth vehicle and stated that daily usage logs were not prepared or maintained because the vehicle was usually on display and only

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## FINDINGS AND RECOMMENDATIONS

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driven to Homeland Security special events. Regardless of the frequency of use, FMA officials are required to account for those miles by preparing and maintaining daily usage logs for each trip.

FMA Motor Pool. FMA officials prepared and maintained daily usage logs for 2 of the 53 motor pool vehicles used by FMA administration staff. However, the daily usage logs for the two vehicles were inadequate because they did not include mileage in and out.

In addition, FMA officials did not maintain daily usage logs for the remaining 51 motor pool vehicles. FMA managers stated that the former FMA Administrator decided that daily usage logs for the motor pool vehicles were unnecessary because reports from the Key Watch System combined with reports from the automated fuel system were sufficient alternatives.

The Key Watch System is a key management system designed to prevent lost or stolen keys, and the automated fuel system is designed to monitor the distribution of fuel and lubricants. We reviewed reports from the Key Watch System and the automated fuel system and found them to be insufficient alternatives to daily usage logs. For example, the reports did not include the vehicle operator's name, purpose for using vehicles, miles driven, and other data elements required by Mayor's Order 2001-85 to ensure that the vehicles were used only by authorized individuals for official purposes.

FMA procedures for requesting motor pool vehicles were included on the District of Columbia Intranet. Those procedures stated that vehicles must be used only for authorized District of Columbia government business, but did not reference Mayor's Order 2001-85 or the requirement to prepare daily usage logs.

Motor pool vehicle operators should prepare daily usage logs; however, we believe it is the responsibility of FMA to maintain those daily usage logs and monitor usage of vehicles assigned to the motor pool. In addition, it is the responsibility of FMA to notify motor pool users of the requirement to prepare daily usage logs.

***Income Maintenance Administration.*** IMA vehicle operators prepared daily usage logs for 11 of the 15 vehicles assigned to the department; however, daily usage logs were often inadequate or missing. Daily usage logs were not available for the four remaining vehicles because one had been sold, one was awaiting disposal, and the D.C. Village fleet coordinator did not ensure that vehicle operators prepared the daily usage logs for the two remaining vehicles. The fleet coordinator stated that vehicle operators would begin preparing daily usage logs for the two vehicles.

We reviewed daily usage logs dated May 2 through June 30, 2005, for the 11 vehicles and identified 590 unexplained miles. In addition, IMA mileage reports show that DC1372 was driven 8,880 miles during a 30-day period, although documentation indicates that the vehicle

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## FINDINGS AND RECOMMENDATIONS

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was in the shop and that IMA used a loaned vehicle during that time. Officials did not provide daily usage logs to our auditors to explain the 8,880 miles.

Further, we tested the daily usage logs dated May 21, 2004, through June 20, 2005, for DC1378 because of the difficulty in verifying its existence (see Finding 1). IMA officials prepared 3 daily usage logs for DC1378 over a 13-month period, with 2 of them being prepared after the start of this audit. The second daily usage log was prepared 238 business days after the first one we reviewed. We identified 1,493 unexplained miles during the 13-month period.

***Office of Finance and Treasury.*** OFT vehicle operators did not prepare and maintain daily usage logs for 4 of the 10 vehicles assigned to the department. We did not test the daily usage logs of the six vehicles because of other audit priorities.

***Office of Tax and Revenue.*** OTR vehicle operators did not prepare and maintain daily usage logs for the six vehicles assigned to the department.

***Department of Employment Services.*** DOES vehicle operators did not prepare and maintain daily usage logs for 4 of the 20 vehicles assigned to the agency. In addition, DOES did not adequately prepare daily usage logs for 8 of the remaining 16 vehicles. We tested daily usage logs dated May 1, 2005, through June 29, 2005, and identified 1,329 unexplained miles.

***Office of the Attorney General.*** OAG vehicle operators did not always prepare and maintain adequate daily usage logs for the 14 vehicles assigned to the agency. For example, operators prepared field investigator logs that detailed assignments but did not always include the vehicle license plate number or the mileage in and out. We reviewed logs dated January 3, 2005, to February 11, 2005, for three of the field investigators. Other than the first page of one log, none of the logs contained the vehicle license plate number. We did not find unexplained miles on the two logs that contained the mileage in and out.

***Office of the Inspector General.*** OIG vehicle operators prepared and maintained daily usage logs for the 10 vehicles assigned to the agency. The fleet coordinator conducted a review May 18, 2004, and a follow-up review on January 26, 2005, and determined that the odometers on six of the nine vehicles<sup>19</sup> recorded mileage different than what was recorded in the daily usage logs. The discrepancies occurred for four of the vehicles because operators failed to record mileage in the daily usage logs upon completing assignments. The difference of 25 miles for the remaining two vehicles could not be explained. The fleet coordinator concluded that OIG vehicle operators needed to exercise greater care in maintaining the daily

<sup>19</sup> The 10<sup>th</sup> vehicle was at FMA for preventive maintenance at the time of the fleet coordinator's review.

## FINDINGS AND RECOMMENDATIONS

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usage log books. Further, the OIG instituted a procedure requiring OIG employees using the vehicles to show government identification to the parking attendant prior to gaining access to vehicles to prevent unauthorized access and use. In addition, the parking company was to begin maintaining a control log with the driver's name, date, and license plate number.

***District of Columbia Public Library.*** DCPL vehicle operators did not prepare and maintain daily usage logs for 6 of the 21 vehicles assigned to the agency. In addition, DCPL officials did not adequately prepare daily usage logs for 11 of the remaining 15 vehicles. We tested daily usage logs dated May 1 through July 1, 2005, identified 1,650 unexplained miles, and found missing dates and license plate numbers.

***Department of Consumer and Regulatory Affairs.*** DCRA adequately monitored vehicle usage as vehicle operators prepared and maintained daily usage logs for 107 of the 113 vehicles assigned to the agency. The fleet coordinator established a system for maintaining daily usage logs; however, we did not find daily usage logs for six of the vehicles. Of the six vehicles, four had been sold in 2004 and daily usage logs were no longer available for these vehicles. Daily usage logs for these vehicles should have been retained until 2007. In the future, the DCRA fleet coordinator should maintain files for at least 3 years after vehicle disposal as required by FMA policies and procedures.

***District of Columbia Lottery and Charitable Game Control Board.*** DCL vehicle operators did not prepare and maintain daily usage logs for the 19 vehicles assigned to the agency. We discussed the lack of daily usage logs with DCL officials who stated that they prepared daily usage logs in the past, but stopped. At the request of DCL officials, we provided a copy of daily usage logs from another agency for use as a guide. We reviewed daily usage logs dated May 2 through July 5, 2005, for the 19 vehicles assigned to the DCL and identified 214 unexplained miles.

***Office of Cable Television and Telecommunications.*** OCTT vehicle operators did not prepare and maintain daily usage logs for the five vehicles assigned to the agency. We discussed the lack of daily usage logs with the agency fleet coordinator who stated that they prepared daily usage logs in the past, but stopped. At the request of OCTT officials, we provided a copy of daily usage logs from another agency for use as a guide.

We reviewed daily usage logs dated July 20 through July 29, 2005, and determined that they met the intent of Mayor's Order 2001-85, but were not adequate for tracking mileage per vehicle. For example, we could not determine if OCTT vehicle operators prepared the log for all assigned vehicles because they recorded the vehicle model instead of the license plate number in the vehicle column. We identified this discrepancy to the agency fleet coordinator.



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## **FINDINGS AND RECOMMENDATIONS**

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### **MANAGEMENT ACTIONS**

FMA hosted a District agency fleet coordinator meeting on February 9, 2005, and provided a copy of Mayor's Order 2001-85 (which requires vehicle operators to prepare and maintain daily usage logs). Further, FMA officials reminded District agency heads via a March 14, 2005, email about the requirement to prepare and maintain daily usage logs.

### **Conclusion**

We believe FMA management should find additional ways to partner with District agencies to monitor employee use of District government vehicles. Because several of the agency fleet coordinators stated that they were not aware of the requirement to prepare and maintain daily usage logs, FMA should send notice of significant requirements to District agency heads and agency fleet coordinators via formal control memoranda. Further, FMA needs to periodically review compliance with the requirement to prepare and maintain daily usage logs for a consistent and accurate record of vehicle usage.

### **RECOMMENDATIONS**

We recommended that the Director, Department of Public Works:

18. Enforce compliance with Mayor's Order 2001-85, which requires vehicle operators to prepare and maintain daily usage logs for all assigned vehicles, and periodically review FMA and District agency daily usage logs;
19. Revise FMA policies and procedures to include the use of daily usage logs, and clarify that the requirement to maintain vehicle files for 3 years after disposal applies to daily usage logs; and
20. Revise the FMA website used by District agencies to reserve motor pool vehicles, to include reference to Mayor's Order 2001-85 and language related to preparing and maintaining daily usage logs.

### **DPW's RESPONSE**

DPW concurred with the recommendations. DPW's full response is included at Exhibit D.

### **OIG's COMMENT**

We consider DPW's actions to be responsive to and meet the intent of the recommendations, but DPW officials did not provide the target date for completion of planned actions for Recommendation 18.

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## FINDINGS AND RECOMMENDATIONS

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<b>FINDING 4: DISPOSAL OF DISTRICT VEHICLES</b>
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### SYNOPSIS

DPW FMA did not properly account for vehicles that were either sold at auction or used for parts (salvage). This condition occurred because FMA officials did not establish sufficient policies and procedures, resolve staffing issues, maintain an adequate filing system, and provide sufficient management oversight. As a result, 54 vehicles had been awaiting sale at the auction company for 3 to 14 months. Further, we could not locate 5 of the 35 vehicles listed as towed to the auction company for a May 2005 public auction. Consequently, the District is at an increased risk of the theft of parts from vehicles awaiting property disposal.

### DISCUSSION

Criteria governing the disposal of District vehicles are provided in Mayor's Order 2000-75 and FMA internal policy. Policy guidance governing management accountability and control is provided by OMB Circular A-123, revised June 21, 1995.

Mayor's Order 2000-75, dated May 11, 2000. This Mayor's Order designated the Department of Public Works (DPW) as the sole authority to dispose of non-emergency motor vehicles and equipment used by agencies under the authority of the Mayor. The order also required that DPW establish policies and standards for all phases of motor equipment management from initial procurement to ultimate vehicle disposal.

Fleet Management Administration Fleet Policies and Procedures. FMA Fleet Policies and Procedures for improving control and accountability over District vehicles became effective in February 2004, and require the completion of a vehicular disposal action form to document all dispositions.

OMB Circular A-123. OMB Circular A-123 defines management controls, in part, as the organization, policies, and procedures used by federal agencies to reasonably ensure that resources are protected from waste, fraud, and mismanagement.

**Vehicle Sales.** FMA officials did not properly account for vehicles sold at auction. According to FASTER, FMA sold 589 vehicles for \$1.1 million from August 1, 2001, to May 13, 2005. However, the auction company sales report shows 785 vehicles sold for \$1.4 million during the same timeframe. We traced the sales report amounts to salvage reports issued by the auction company and compared the results to FMA vehicular disposal forms and DPW CFO accounting records. We found that the auction company sales report was generally accurate.

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Table 5 shows the number of vehicles sold by fiscal year at public auction on behalf of FMA.

<b>Table 5. Vehicles Sold at Public Auction on Behalf of FMA</b>				
Fiscal Year	Vehicles Sold Per FASTER	Vehicles Sold Per Auctioneer	Selling Price Per FASTER	Selling Price Per Auctioneer <sup>20</sup>
2001 <sup>21</sup>	41	67	\$ 74,124	\$129,385
2002	261	327	512,913	570,029
2003	200	254	394,617	473,756
2004	69	89	86,172	149,193
2005 <sup>22</sup>	18	48	34,450	105,411
<b>Total</b>	<b>589</b>	<b>785</b>	<b>\$1,102,276</b>	<b>\$1,427,774</b>

We traced sales amounts for auctions conducted January 10, 2003, through August 13, 2004, to DPW CFO accounting records to determine whether proceeds were deposited to the District Treasury. Our analysis identified a difference of \$3,302, which we could not reconcile because FMA disposal files did not always contain copies of the salvage reports and checks submitted by the auction company. See Table 6 for a comparison of the sale amount with auction proceeds deposited to the District Treasury.

<b>Table 6. Auction Proceeds Deposited to District Treasury</b>			
Auction Date	Sale Amount	Amount Deposited	Difference
01/10/2003	\$ 67,551.25	\$ 67,551.25	\$ 0
02/14/2003	14,036.60	14,036.60	0
03/14/2003	40,641.00	40,641.00	0
04/11/2003	47,030.00	47,030.00	0
05/09/2003	74,266.00	74,266.00	0
06/13/2003	24,719.60	24,719.60	0
07/11/2003	7,320.00	7,320.00	0
08/08/2003	46,977.20	46,617.20	(360.00)
09/12/2003	47,631.00	42,939.00	(4,692.00)
11/14/2003	14,739.00	14,739.00	0
12/12/2003	21,192.00	21,192.00	0

<sup>20</sup> The selling price per auctioneer is net of fees and other expenses.

<sup>21</sup> The amounts shown under FY 2001 cover only August 1, 2001, to September 30, 2001, because FMA used a different auction company prior to August 1, 2001.

<sup>22</sup> The amounts shown under FY 2005 cover only October 1, 2004, to May 13, 2005, because no sales were held in June or July, and we concluded the audit field work before the August sale.

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<b>Table 6. Auction Proceeds Deposited to District Treasury (cont'd.)</b>			
Auction Date	Sale Amount	Amount Deposited	Difference
01/09/2004	2,265.00	2,265.00	0
02/13/2004	5,937.60	5,937.60	0
04/09/2004	38,976.00	38,976.00	0
05/14/2004	3,117.00	3,117.00	0
06/11/2004	27,234.00	29,559.00	2,325.00
08/13/2004	35,732.00	35,157.00	(575.00)
<b>Total</b>	<b>\$ 519,365.25</b>	<b>\$ 516,063.25</b>	<b>\$(3,302.00)</b>

**Inventory of Vehicles at the Auction Site.** We conducted a physical count of District vehicles at the auction site and identified 54 vehicles awaiting sale (see Exhibit C). Of the 54 vehicles, 32 were not properly recorded in the FASTER disposal-in-process account. In addition, at least three of the vehicles had been at the auction site for over 1 year. According to auction company employees, the 54 vehicles could not be sold until title issues (incorrect vehicle identification numbers and liens) were resolved.

FMA officials indicated that in the future, vehicles would not be sent to the auction site until title issues were resolved. FMA officials also indicated that the Department of Motor Vehicles was not correcting the vehicle identification numbers and waiving parking tickets in a timely manner. In an effort to speed up the process, one FMA manager and two staff members submitted applications on July 1, 2005, for approval to request titles via the Internet.

FMA officials indicated that the loss of an experienced employee who retired in November 2004 contributed to the backlog of vehicles awaiting sale.

**Salvage.** FMA did not properly account for parts removed from at least 11 vehicles awaiting property disposal action. We obtained a briefing chart dated July 5, 2001, which presented disposal guidelines and recommended establishing policies and procedures for the auction program. Although the FMA disposal guidelines referenced a form that should be completed before removing parts from vehicles awaiting disposal, FMA officials were not using the form. In addition, FMA officials did not use work orders to assign the parts from the old vehicle to the receiving one.

FMA Procedure 4-6 states that equipment in unserviceable condition can be disassembled for reuse of serviceable parts according to the general authority granted to the Fleet Management Administrator. However, FMA did not establish and document a process for reusing the serviceable parts as suggested in the July 5, 2001, briefing chart.

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## FINDINGS AND RECOMMENDATIONS

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As of May 26, 2005, we observed 11 vehicles in the FMA property disposal lot that were in various stages of the salvage process. However, the list provided by FMA officials contained only 10 vehicles being used for parts.

FMA officials stated that standard operating procedure was to remove parts from vehicles awaiting disposal, if necessary to complete repairs to other vehicles in the shop. The maintenance services manager stated, and the disposal officer confirmed, that shop supervisors orally notified the disposal officer when sending a mechanic to remove needed parts. However, the lack of a formal process for removing parts from vehicles awaiting disposal, as well as the lack of controls to monitor compliance, increases the risk of theft.

Discussions with disposal officials revealed that FMA management did not want to maintain a used parts department, and other officials expressed concerns with using FASTER to track parts when cost was not a factor and they would not be billing customers. We discussed these issues with the FASTER systems administrator who indicated that a storeroom could be established in FASTER to account for used parts, that the system did not require a cost, and that used parts could be assigned to customers as non-billable items.

**Sufficient Policies and Procedures.** FMA policies and procedures over the disposal of District vehicles were not sufficient. For example, the policies and procedures included a process for determining when disposal was warranted but did not include a process for the actual disposition. Although the policies and procedures contained a vehicular disposal action form that FMA officials were to prepare for each auction, the policies and procedures contained no guidance about how to prepare the form.

**Vehicular Disposal Action Form.** FMA officials did not properly prepare vehicular disposal action forms. The form should contain the year, make, model, title number, in-house reference number (equipment number), vehicle identification number, and the auction company stock number. Deficiencies included: vehicles listed but not sent to the auction site; duplicate entries; missing title and auction company stock numbers; and incorrect equipment and vehicle identification numbers. In addition, FMA officials were not consistent about which number they used for the equipment number. For example, they might record the license plate number for one vehicle and record the equipment number for the next vehicle. As a result, reconciliation of the vehicular disposal action forms to auction company records would be difficult.

Further, FMA did not attempt to automate the vehicular disposal action form, which made it difficult to adequately reconcile vehicles sent to the auction site with vehicles actually sold. FMA also significantly increased the risk of human error by typing a new form each month and carrying forward vehicles not sold from previous months.

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The vehicular disposal action form dated April 28, 2005, listed 38 items to be disposed but we found 2 duplicate entries. The form was also intended to identify items already sent to the auction site but we found one of the vehicles on the FMA disposal lot on May 26, 2005. Of the remaining 35 entries, we found 21 vehicles at the auction site waiting to be sold and verified that 9 vehicles were sold on May 13, 2005. We could not locate the remaining five vehicles, which are listed in Table 7.

Table 7. Unaccounted for Vehicles			
Equipment Number	Vehicle Description	Title Number	Vehicle Identification Number
051822	1999 Dodge Stratus	K321951	1B3EJ46X1XN530278
851956	1990 Chevrolet Corsica	J899208	G1LT54G0LY205857
521375	1994 Chevrolet Blazer	J995053	1GNDDT13W0R0155683
950082	1994 Pontiac Lemans	K584336	KL2TN5468PB306665
341597	Tennant Sweeper	K477485	830II5958

**Management Oversight.** As part of the audit process, we interviewed FMA officials assigned overall responsibility for managing FMA vehicle disposals. When requested, officials could not provide accurate lists of vehicles awaiting sale or vehicles already sold, or a reconciliation of vehicles sent for sale to vehicles actually sold. We visited the auction company used by FMA, as well as the DPW CFO, in an attempt to reconcile vehicles sold. However, poor recordkeeping by FMA officials impeded our efforts.

### MANAGEMENT ACTIONS

We brought these issues to the attention of FMA officials who agreed with our determination that procedures to account for parts removed from vehicles awaiting disposal did not exist. The Maintenance Services manager agreed to take action and started by outlining a process with the FASTER systems administrator and one of the shop supervisors. The Maintenance Services manager planned to brief the FMA Acting Administrator and implement the process as soon as possible. After we briefed the results of this audit to the DPW Director, FMA officials found the five vehicles shown in Table 7. According to FMA officials, the five vehicles were never towed to the auction site as indicated by the vehicular disposal action form. Instead, FMA re-deployed the vehicles. As of September 23, 2005, DC1822 had been returned to DCRA and the four remaining vehicles were located at the FMA complex pending property disposal action.

### Conclusion

We believe that FMA officials were not giving proper attention to the disposition of vehicles and that they will be unable to do so until they evaluate the process, revise the policies and procedures, address staffing issues, and establish a more organized filing system. More than

## **FINDINGS AND RECOMMENDATIONS**

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4 years after OIG Inspection Report 01-0001KA made recommendations to develop vehicle disposal policies, FMA still does not have adequate policies and procedures.

### **RECOMMENDATIONS**

We recommended that the Director, Department of Public Works:

21. Establish formal policies and procedures for the disposal of District vehicles, specifically including a process to account for parts removed from vehicles awaiting disposal action; and
22. Reconcile the list of vehicles located at the auction site to vehicles sold at future public auctions, and make the appropriate adjustments to FASTER.

### **DPW's RESPONSE**

DPW concurred with the recommendations. DPW's full response is included at Exhibit D.

### **OIG's COMMENT**

We consider DPW's actions to be responsive to and meet the intent of the above recommendations, but DPW officials did not provide target dates for completion of planned actions for Recommendation 22.

## EXHIBIT A - SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

Recommendation	Description of Benefit	Amount and Type of Benefit	Status <sup>23</sup>
1	Compliance and Internal Control. Ensures that vehicles assigned to the Fleet Management Administration and District agencies have not become lost, obsolete, stolen, or unserviceable.	Nonmonetary	Open
2	Compliance and Internal Control. Ensures that inventory records are updated.	Nonmonetary	Open
3	Compliance and Internal Control. Ensures that inventory records are reliable.	Nonmonetary	Open
4	Compliance and Internal Control. Ensures that 13 unaccounted for vehicles assigned to the Department of Human Services and one unaccounted for vehicle assigned to Fleet Management Administration have not become lost, obsolete, stolen, or unserviceable.	Nonmonetary	Open
5	Program Results. Obtains and maintains essential records.	Nonmonetary	Open
6	Compliance and Internal Control. Ensures effective and efficient policies and procedures exist and are implemented.	Nonmonetary	Unresolved

<sup>23</sup> This column provides the status of a recommendation as of the report date. For final reports, “**Open**” means Management and the OIG agree on the action to be taken, but action is not complete. “**Closed**” means management has advised that the action necessary to correct the condition is complete. “**Unresolved**” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.



## EXHIBIT A - SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

Recommendation	Description of Benefit	Amount and Type of Benefit	Status
7	Compliance and Internal Control. Ensures that vehicles are protected from theft and misuse.	Nonmonetary	Open
8	Compliance and Internal Control. Ensures that keys and vehicles are protected from theft and misuse.	Nonmonetary	Open
9	Program Results. Maintains essential records.	Nonmonetary	Open
10	Compliance and Internal Control. Improves controls over essential records.	Nonmonetary	Closed
11	Program Results. Improves controls over essential records.	Nonmonetary	Open
12	Compliance and Internal Control. Ensures that employees are properly trained.	Nonmonetary	Open
13	Compliance and Internal Control. Ensures that policies and procedures reflect daily operations and are effective and efficient.	Nonmonetary	Open
14	Compliance and Internal Control. Ensures that data are reliable.	Nonmonetary	Open
15	Compliance and Internal Control. Ensures that data are reliable.	Nonmonetary	Open
16	Compliance and Internal Control. Ensures that data are reliable.	Nonmonetary	Open

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**EXHIBIT A - SUMMARY OF POTENTIAL BENEFITS  
RESULTING FROM AUDIT**

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<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>	<b>Status</b>
17	Program Results. Obtains and maintains essential records.	Nonmonetary	Open
18	Compliance and Internal Control. Complies with Mayor's Order 2001-85.	Nonmonetary	Open
19	Compliance and Internal Control. Ensures that policies and procedures exist and are effective and efficient.	Nonmonetary	Open
20	Compliance and Internal Control. Ensures that policies and procedures exist and are effective and efficient.	Nonmonetary	Open
21	Compliance and Internal Control. Establishes and implements policies and procedures.	Nonmonetary	Open
22	Program Results. Obtains and maintains essential records.	Nonmonetary	Open

## EXHIBIT B - DUPLICATE RECORDS IN FASTER

Equipment Number	License Plate Number	Title Number	Vehicle Identification Number
950033	DC0028	Unknown	1GNDX03E4XD295585
950028	DC0028	K368907	1GNDX03E4XD295585
955000	GT5000	K562451	1FAHP53231G268662
61-2451	DC2451	Unknown	1FAHP53231G268662
950032	DC0042	K368903	1B7HF13Y8XJ623069
950042	DC0042	Unknown	1B7HF13Y8XJ623069
943369	GT4745	Unknown	AHGEN26481L000303
983369	DC3369	Unknown	1HGEN26481L000259
947800	GT7800	Unknown	1FACP52U3PA290332
187800	GT7800	Unknown	1FACP52U3PA290332
023363	GT3363	X	1FAFP74W4YX125986
013363	GT3363	Unknown	1P3BP26G8EF358453
BP3158	BP3158	K1001065	1FAHP53232G242063
861182	BP3156	K1001091	1FAHP532X2G242433
BP3156	BP3156	K1001065	1FAHP532332G242063
861177	BP3157	K1001069	1FAHP53212G242062
BP3157	BP3157	K1001069	1FAHP53212G242062
524052	GT4052	J 011019	2FABP22XXFB282073
104052	GT4052	K487559	1GTHG35R7Y1225223
704331	GT4331	Unknown	1FTBR10AXGUC15269
104331	GT4331	K507252	L017842
705025	GT5025	Unknown	2FFABP72F2HX217289
27	GT5025	Unknown	2FAFP71W01X202511
963252	GT3252	G 888308	2FABP22R8EK245805
97176	GT3252	Unknown	2FALP71W8VX205830
984685	GT4685	Unknown	3B4GW12Y0JM828311
23	GT4685	Unknown	2FAFP71WX1X165449
987711	GT7711	Unknown	1GCEC14Z2PZ227546
307711	GT7711	Unknown	1GCEC14Z2PZ227546
944990	GT4990	K562430	2B4HB25T6RK579807
S00755	GT2236	X	2B4HB25T6RK579807

## EXHIBIT C - VEHICLES LOCATED AT AUCTION SITE

<b>Equipment Number</b>	<b>License Plate Number</b>	<b>Description</b>	<b>Vehicle Identification Number</b>
None	GT6828	Chevy Blazer	1GNCT18W5N0136593
None	GT6827	Chevy Blazer	1GNC518W0N0136567
984998	None	Chevy Silverado	1GCJK34U51E326622
None	None	Amida Lighted Sign	8706R1818
None	DC1935	Ford Bus	B72360
542521	GT2521	Chevy Truck	1GBL7D1800U108453
None	DC1906	Ford Bus	B50912
None	GT9035	Dodge Truck	1R7JN126VGL5690170
347886	None	Elgin Sweeper	S7855D
342548	None	ODB Leaf Vac	None
341648	None	ODB Leaf Vac	None
None	DC1625	Crane Carrier	1CYCAA48XXT044000
341585	None	Elgin Sweeper	P2842D
341582	None	Elgin Sweeper	P2835D
None	None	New Holland 702C Plow	WL90893
None	DC0047	Chevy Truck	184800
None	GT277	Thomas Bus	364595
None	DC2792	Chevy Astro Van	127562
None	DC2075	Ford Club Wagon	B95550
None	GT8096	Chevy Cavalier	1G1JC5449R7371742
980107	None	Ford E250	1FTVE24M4XHA57605
349494	None	Tennant Sweeper	830II4003
None	None	Tennant Sweeper	830II4603
None	GT4741	Ford Bronco	1FMCU14T8HUC69245
None	DC2127	Chevrolet Truck	1GCEC1420PZ227772
None	DC2126	Chevrolet Truck	1GCEC1420PZ227444
None	GT9037	Ford Tempo	2FACP36X3PB173038
None	DC0289	Chevrolet Prizm	1Y15K5284X2401961
None	DC0186	Honda Civic	1HGEN1643XL000236
None	GT6576	Ford Explorer	1FMCU24X3MUC95271
528509	None	Pontiac Sunbird	1G2JB54H8R7523917
None	DC0247	Dodge Pickup	1B7GL26X7XS304060
None	DC1893	Crane Carrier	Not Readable
None	DC1714	Tennant Sweeper	830II4081
None	GT7480	Chevrolet Van	2GAHG39K0P4104286
None	GT6139	Ford Tempo	1FAPP36X4KK242349

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**EXHIBIT C - VEHICLES LOCATED AT AUCTION SITE (cont'd.)**

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<b>Equipment Number</b>	<b>License Plate Number</b>	<b>Description</b>	<b>Vehicle Identification Number</b>
None	GT7800	Ford Taurus	1FACP52U3PA290332
341588	None	Elgin Sweeper	P2847D
None	None	Ford Tractor	None
None	None	Ford Tractor	None
None	None	Ford Tractor	None
None	None	Utility Trailer	None
None	None	Batwing Bush Hog	None
None	None	Massey Ferguson Tractor	None
None	None	Massey Ferguson Tractor	None
None	None	John Deere Bush Hog	Model 1518
None	None	Magliner Utility Trailer	None
341711	None	Tennant Sweeper	830II4990
None	DC1598	Tennant Sweeper	830II3955
None	DC1713	Tennant Sweeper	830II4084
None	DC1715	Tennant Sweeper	830II4078
None	DC1595	Tennant Sweeper	830II3973
None	DC2057	Step Van	1G3HP32K0H3332528
None	DC1596	Tennant Sweeper	830II3976

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## EXHIBIT D – DEPARTMENT OF PUBLIC WORK'S RESPONSE

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF PUBLIC WORKS



REPLY TO:  
FLEET MANAGEMENT ADMINISTRATION  
1725 13TH STREET, N.E.  
WASHINGTON, D.C. 20002  
(202) 576-6700  
FAX (202) 576-7715

**MEMORANDUM**

**TO:** Charles J. Willoughby  
Inspector General  
Office of the Inspector General

**THROUGH:** William O. Howland *woh*  
Director  
Department of Public Works

**FROM:** Administrator

**DATE:** January 26, 2006

**SUBJECT:** Response to the Audit of the Department of Public Works  
Inventory, Usage, and Maintenance of District Vehicles

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Reference is made to the above subject audit. The Department of Public Works, Fleet Management Administration has reviewed and responded to the findings cited in the report.

If you should have any questions, please contact Ms.  
at (202) 576- /

Administrator

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## EXHIBIT D – DEPARTMENT OF PUBLIC WORK'S RESPONSE (cont'd)

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### **Audit of the Department of Public Works Inventory, Usage, and Maintenance of District Vehicles**

#### **Finding 1: Inventory of District Vehicles**

**Recommendation 1: In coordination with agency fleet coordinator, conduct an annual physical inventory and periodic testing (e.g., inventory database update) of assigned vehicles:**

1. Mayor's Order 2000-75 gave DPW/FMA the authority to establish the policy, which FMA did. Also, Mayor Order 2001-85 gave each agency head responsibility for performing vehicle/equipment inventory. We will however look at how FMA should assist or direct agencies in the handling of their annual physical inventory. Currently, we are working with Parking Services Administration; we have completed a 100% physical inventory and the data has been updated in the fleet management system. We will have each agency conduct an annual fleet physical inventory; the finding of the inventory is to be approved by the agency head and then forward to FMA for updating of the fleet management system. This action is to be completed by September 30, 2006.

Additionally, FMA is requesting the Director of DPW to hire a lead fleet coordinator and a staff person dedicated to management and oversight of the Citywide vehicle and equipment inventory under the Mayor's authority.

**Recommendation 2: Review and compare data obtained from the annual physical inventory and periodic tests data contained in FASTER, identify and resolve discrepancies, and update information in FASTER as necessary:**

2. We agree with recommendation 2. As stated in recommendation 1 this information will be used to update the information in FASTER as part of the annual physical inventory and random periodic testing.

**Recommendation 3: Coordinate with District agency heads and fleet coordinators to facilitate the submission of accurate and timely information regarding assigned vehicles:**

3. We agree with recommendation 3. However, each agency head should adhere to Mayor's Order 2001-85.

**Recommendation 4: Conduct a physical inventory to find the 13 unaccounted for vehicles assigned to the Department of Human Services and the 1 unaccounted for vehicle assigned to FMA:**

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## EXHIBIT D – DEPARTMENT OF PUBLIC WORK'S RESPONSE (cont'd)

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4. We agree with recommendation 4. We are continuing our efforts to work with DHS and we will have them to conduct a physical inventory in an effort to account for the 13 vehicles. This action is to be completed by May 1, 2006. Concerning the one unaccounted vehicle assigned to FMA, we are continuing the effort to locate it; however, it has been reported as stolen.

**Recommendation 5: Coordinate with the Office of Finance and Treasury and the Office of Tax and Revenue to determine the status of the four leased vehicles, obtain supporting documentation and update FASTER accordingly:**

5. It should be noted that these agencies have the authority to obtain vehicles without FMA's authorization. However, we will request supporting documentation from OFT and OTR on the status of these four vehicles and update our records. This action is to be completed by April 1, 2006.

**Recommendation 6: Coordinate with Metropolitan Police Department and other District agencies to establish standard and consistent procedures for recording vehicles loaned between agencies to limit duplicate reporting:**

6. Under the Mayor's authority FMA is the only agency authorized to re-deploy vehicles/equipment. In reference to MPD, we must have further discussion regarding the coordination of its vehicles with the Director of DPW.

**Recommendation 7: Revise and clarify FMA policies and procedures to adequately address completion of an annual physical inventory, resolution of discrepancies identified by the physical inventory, security of vehicle keys and a training program:**

7. We will review and revise our policies and procedures as appropriate. Please note that we have procedures in place (e.g., key boxes and key files), we will however re-emphasize to staff the importance of securing keys at all times. We will also re-emphasize to the staff that the sorting of keys and preparing paper work for equipment release must be done in a secure area at all times. Additionally, we are conducting on-going refresher training.

**Recommendation 8: Secure vehicle keys in accordance with the newly clarified policy:**

8. See response under recommendation 7. Please note that we have procedures in place (e.g., key boxes and key files), we will however re-emphasize to staff the importance of securing keys at all times. We will also re-emphasize to the staff that the sorting of keys and preparing paper work for equipment release must be done in a secure area at all times.



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## **EXHIBIT D – DEPARTMENT OF PUBLIC WORK’S RESPONSE (cont’d)**

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**Recommendation 9: Comply with FMA policies and procedures to maintain a fleet master file for each vehicle in the District fleet and require agency fleet coordinators to do the same for assigned vehicles:**

9. We will review the master file to ensure that all requirement data are included in the files. However, the work order history on equipment is a part of the vehicle historical record within the FASTER system. We have a back-up system; this is the vehicle/equipment permanent repair history record. Concerning requiring agency fleet coordinators to maintain a master file for each vehicle, this requirement is listed in Mayor’s Order 2001-85. We will however re-emphasize the requirement to the fleet coordinators. This action is to be completed by April 1, 2006.

**Recommendation 10: Designate an official responsible for maintaining and managing the fleet master files:**

10. FMA has an official, \_\_\_\_\_, who is already responsible for maintaining the fleet master files.

**Recommendation 11: Create a database tracking system to monitor the location of all fleet master files and require that the database be updated each time a file is removed or moved to a new location:**

11. The files will be locked at all times; we will develop a system to track files from the point of request to the point of return. This action is to be completed by April 1, 2006.

**Recommendation 12: Plan and manage a training program tailored to the specific needs of FMA employees:**

12. We agree with the recommendation. We will be working with DPW’s Training Academy to develop a training program specific to FMA employees. This action is to be completed by September 30, 2006.

**Recommendation 13: As part of the annual policy review, develop a coordinated approach, involving FMA management officials and employees, as well as agency fleet coordinators, to evaluate needed improvements in FMA policies and procedures:**

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## EXHIBIT D – DEPARTMENT OF PUBLIC WORK’S RESPONSE (cont’d)

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13. We agree with the recommendation. We will develop a coordinated approach to evaluated needed improvements in the FMA polices and procedures. This action is to be completed by September 30, 2006.

**Finding 2: Reliability of Inventory Records**

**Recommendation 14: Assess the reliability of computer-generated data and implement procedures for generating and compiling reliable data:**

14. We agree with the recommendation. We are continually working with our staff to review the computer-generated data and training the staff on the procedures for ensuring the accuracy of data. Additionally, the FASTER support staff performs annual site-visits and is available anytime for system review and consultation.

**Recommendation 15: Resolve data reliability problems identified in this report, as well as review FASTER data periodically to identify and resolve reliability issues, especially prior to providing the inventory to the CFO for submission to Congress:**

15. We agree with the recommendation and we are continuing the efforts to review and correct the FASTER data and resolve any issues. Concerning the Congressional Report mentioned in this report, please note: in reference to the acquisition costs, this information was not given to DPW when the record was created and it is very difficult to determine the cost of the equipment when it was acquired by the agency without the invoice and/or the purchase order.

**Recommendation 16: Evaluate the data conversion from the Maximus (M4) information system to FASTER to identify any anomalies that may have occurred and create a formal plan for correcting those issues:**

16. Evaluating and correcting the data is on going.

**Recommendation 17: Implement the necessary management controls to ensure that supporting documentation is prepared, accurate and properly maintained:**

17. The Vehicle Acquisition Manager will review and approve all supporting documentation for equipment records. The Administrative Services Manager will monitor the proper maintenance of the equipment files. This action is to be completed by April 1, 2006.

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## EXHIBIT D – DEPARTMENT OF PUBLIC WORK'S RESPONSE (cont'd)

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### Finding 3: Usage of District Vehicles

**Recommendation 18: Enforced compliance with Mayor's Order 2001-85, which required vehicle operators to prepare and maintain daily usage logs for all assigned vehicles, and periodically review FMA and District agency daily usage logs:**

18. Mayor's Order 2001-85 requires agency heads to maintain these logs; we will re-emphasize this requirement. However, we suggest that the Mayor's Order be modified to include enforcement with the compliance of the Mayor's Order.

**Recommendation 19: Revise FMA policies and procedures to include the use daily usage logs and clarify that the requirement to maintain vehicle files for 3 years after disposal applies to daily usage logs:**

19. We are updating the FMA's policies and procedures to include the use of the daily usage log. This action is to be completed by April 1, 2006.

**Recommendation 20: Revise the FMA website used by District agencies to reserve motor pool vehicles, to include reference to Mayor's Order 2001-85 and language related to preparing and maintaining daily usage logs:**

20. We agree with the recommendation. We are updating the website with this information. This action is to be completed by April 1, 2006.

### Finding 4: Disposal of District Vehicles

**Recommendation 21: Establish formal policies and procedures for the disposal of District vehicles, specifically including a process to account for parts removed from vehicles awaiting disposal actions:**

21. We have established policies and procedures for vehicle disposal, which we are re-visiting for any necessary modifications. With regards to the removal of parts from equipment, discussions are being held with the Vehicle Acquisition Officer and the Direct Maintenance Manager. This action is to be completed by April 1, 2006.

**Recommendation 22: Reconcile the list of vehicles located at the auction site to vehicles sold at future public auctions, and make the appropriate adjustment to FASTER:**

22. We agree with recommendation 22 and we are currently reconciling this list and making the appropriate adjustments in FASTER.